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CARDIN APPLAUDS OBAMA ADMINISTRATION'S STRONG EFFORT TO HELP SMALL BUSINESSES

WASHINGTON – **U.S. Senator Benjamin L. Cardin** (D-MD), a member of the Senate Committee on Small Business & Entrepreneurship, today applauded President Barack Obama's new plan to increase access to capital for small businesses. The President announced that his Administration will take immediate steps to unlock frozen credit markets, temporarily roll back lending fees and bolster bank liquidity to ensure small firms can have continued access to credit.

"President Obama understands that small businesses are the economic engine that drives our nation. The President and Treasury Secretary Tim Geithner today laid out a bold, ambitious plan to help ensure that credit – the lifeblood of America's small businesses and the American economy – gets flowing again to entrepreneurs and business owners," said Senator Cardin.

"There are more than 440,000 small businesses in Maryland and I as a member of the Small Business Committee, I am committed to ensuring that the Small Business Administration has the resources it needs to provide the support that is needed by the small business community."

The President announced that as another part of the Consumer and Business Lending Initiative, the Treasury Department will – by the end of the month – begin making direct purchases of securities backed by SBA loans to get the credit market moving again, and it will stand ready to purchase new securities to ensure that community banks and credit unions feel confident in extending new loans to local businesses. These purchases, combined with higher loan guarantees and reduced fees, will help provide lenders with the confidence that they need to extend credit, knowing they both have a backstop against their risk and a source of liquidity.

These measures will complement other steps taken by the Administration to help small businesses, including several tax cuts under ***the American Reinvestment and Recovery Act*** (ARRA). The recovery package, which was signed into law in February, also includes an amendment by Senator Cardin to help small businesses compete for larger contracts. The Cardin amendment makes it easier for small businesses to obtain larger surety bonds by temporarily increasing the limits on the Small Business Administration

(SBA) Surety Bond Guarantee Program from \$2 million to \$5 million for contracts awarded under the recovery plan. It also raises the small business size standards for state and local contracts for purposes of surety bond guarantee eligibility.

As a member of the Budget Committee, Senator Cardin has urged Secretary Geithner to require banks receiving TARP funds to increase their lending to some businesses. He applauded this new requirement as “a very good step, particularly since the recovery had has already made some progress in this area.”

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